

**CITY OF FLAGSTAFF
COMMUNITY INVESTMENT DIVISION
211 WEST ASPEN AVENUE, FLAGSTAFF, ARIZONA 86001**

REQUEST FOR PROPOSALS – PHASE TWO

John Wesley Powell Traditional Neighborhood Development Site

A. PROJECT BACKGROUND

The City of Flagstaff is requesting the second phase of proposals for a mixed-use, Traditional Neighborhood Development of approximately 27 acres along John Wesley Powell Boulevard in Flagstaff, Arizona.

The City of Flagstaff currently owns approximately 27 acres along the north and eastern edge of John Wesley Powell Boulevard. The parcel is directly north of Pine Canyon Estates; and, tangent to and surrounded by the proposed Juniper Point Traditional Neighborhood Development. The City of Flagstaff acquired the parcel in January 2007 with the intent that a minimum of 125 permanent affordable workforce housing units would be developed. The City is requesting proposals in two phases from a qualified development team to purchase and/or lease, and develop the property in accordance with the criteria of the RFP. The developer will be responsible for the construction and financing of the parcel.

This phase of the Request for Proposals requires a detailed graphic and illustrative proposal, including detailed information regarding financial capabilities and expansion of the concepts proposed in Phase One. All terms and conditions of Phase One of the RFP still pertain and are incorporated in Phase Two. Proposals and supporting documents must provide clear, concise information as to how the acquisition and development of this parcel will be incorporated into the Juniper Point Specific Plan and will be developed under the Traditional Neighborhood District (TND).

The bid award shall be made to the responsible bidder whose proposal is the most responsive to the Request for Proposals and will be most advantageous to the City, taking into consideration the evaluation factors set forth in Phases One and Two of the Request for Proposals. Factors to be considered may include, but are not limited to, the bidder's past performance on other contracts, and other matters set forth in City of Flagstaff Ordinance No. 1945.

The City of Flagstaff retains the right to reject any or all proposals received and to waive minor technicalities when it is deemed to be in the City's best interest.

B. PROJECT OVERVIEW & TIME FRAME

The selected bidders from Phase One shall attend "Pre-Phase Two Meeting" on August 13, 2007, where the bidders may ask questions regarding the RFP process and the requirements for Phase Two submission. In order to provide sufficient time for the Phase Two submission, the response time has been extended from 30 days to 60 days, commencing on August 13, 2007.

All questions from bidders during Phase Two which are associated with the project and the requirements put forth shall be addressed in writing to:

Hollie Burton
City of Flagstaff
211 West Aspen Avenue
Flagstaff, Arizona 86001
hburton@ci.flagstaff.az.us

A bidder shall provide **10 copies** of its proposal which must include the maps, graphic plans, and all supporting information necessary for a comprehensive assessment. Within four (4) weeks of the close of the Phase Two submittal, bidders will have the opportunity to make an individual presentation of the bidder's proposal and to have an interview with the Review Committee. If necessary, the Review Committee will enter into a "Best and Final Offer" process with the bidders. This process will take approximately three (3) weeks.

The Review Committee will evaluate and rank the proposals based upon all information submitted and presented to them. The Review Committee will either select a bidder deemed to be the most responsive or recommend no action to the City Council, based upon the quality of proposals received.

The successful bidder will promptly, upon request of the City, take such further actions as are necessary to develop the project described in the RFP Phases One and Two, including but not limited to applications for a minor amendment of the Regional Plan and a rezoning application. The successful bidder will execute, acknowledge and deliver to the City in a timely manner any and all further instruments as may be necessary or proper to carry out the purpose and intent of the Request for Proposals, including but not limited to a real estate purchase agreement, a long-term ground lease and a development agreement.

C. PHASE TWO PROPOSAL CRITERIA

Standard Development Requirements: This proposal and project must meet all standard development requirements and procedures for the City of Flagstaff set forth in the applicable regulatory documents.

Strategy for Construction Capacity: Each bidder shall provide a build-out_capacity analysis and timeline that includes all on- and off-site infrastructure construction and development necessary for the project. Bidders are responsible for completing the attached, formatted Pro Forma which shall be included in the Phase Two application response. Without the completed Pro Forma, a proposal shall be deemed incomplete and rejected. Each bidder will be given an opportunity to explain the Pro Forma during its presentation, if it so chooses.

Pro Forma: The Pro Forma consists of four sections: (1) Project Overview, (2) Commercial Overview, (3) Housing Overview, and (4) Overall Project Ratios. The Review Committee will evaluate all proposed purchase prices without consideration of fee reimbursements or concessions. These options may be a part of the Final and Best Offer process and **should**

not be included in the offering price. The bidder shall answer the categories that are applicable to their project.

- Section 1 shall provide a clear breakdown of the bidder's offer for this parcel. Offering Price Breakdown: Section 1.1 requires the bidder to calculate the total purchase price based on category of use.
- Section 1.2 shall provide a clear breakdown of the offering to lease land from the City of Flagstaff based on category of use.
- Cost of Construction per Lot: Section 1.3 shall provide a reasonable cost estimate for the planning, permitting, and construction of the site.
- The Commercial Overview: Section 2.1 requires the bidder to forecast annual build-out of the proposed commercial development by year and the total amount developed by use. In addition, the bidders must provide the percentage of mixed-use developed per year.
- The Housing Overview: Section 3 requires information based on the for-sale housing and rental housing units to be provided. Included in this section are tables that break out the number of units proposed based on the Area Median Income (AMI), size of units offered, and general affordability mechanisms to be utilized. An AMI chart, which classifies these percentages into real income for 2007, is attached.
- The Overall Project Ratios: Section 4.1 requires information based on the distribution of space as outlined in the preceding section.
- If necessary, bidders may add written explanations to any of the figures in the Pro Forma.

Re-zoning and Development Timeline: Each bidder shall provide a realistic timeline, including deliverables and benchmarks for the following: a Minor Plan Amendment to the Regional Transportation and Land Use Plan (Land Development Code: Section 10-12-001-00002-B); re-zoning the property; platting submission and approval dates to obtain Final Plat approval; and, project phasing from public infrastructure construction to build-out of vertical construction of units and commercial space. The bidder must also address, in particular, the number of affordable housing units in each phase.

Financial Feasibility Analysis: Bidder shall be responsible for procuring funds for the purchase / financing of the parcel and is also responsible for the long-term financing and construction of the site. As part of the Phase Two application submission, the bidder is responsible for outlining and providing necessary documentation as to how they will secure financing of the site – both for purchase, lease and for long-term construction. Documentation of the bidder's financial strength, such as bank letters, financial support from funding agencies, etc., is required.

Illustrative & Preliminary Regulatory Plan: Bidder shall provide an Illustrative Plan and a preliminary Regulatory Plan based upon the design principles of a Traditional Neighborhood

Development as described in the SmartCode version 9.0. The SmartCode version 9.0 will be made available at the August 13, 2007 Pre-Phase Two meeting.

Considering that the adjacent land uses of Juniper Point are Transect Zones 4 and 5, proposals for the 27-acre subject parcel shall be designed and limited to those land uses and design elements associated with Transect Zones 4 and 5 found within the SmartCode. However, the City is in the process of adopting a Traditional Neighborhood Development Zone (“TND”) code which is derived from the SmartCode. Upon approval and adoption by City Council, the TND code will be applicable to the subject property. The anticipated, effective date for the new TND code is early 2008.

As bidders prepare the Illustrative Plan and Preliminary Regulatory Plan for Phase Two, it is suggested and recommended that bidders, to their best of their abilities, employ the applicable design criteria and land uses found within the Smart Code.

At a minimum, the following information is necessary to satisfy submittal requirements in **Phase Two**.

I. Pro Forma: as detailed above.

II. Illustrative Plan: A plan or map that depicts the streets, lots, buildings and general landscaping of a proposed development designed as a traditional neighborhood. It is a plan meant to illustrate future development on a site, and is not a regulatory document.

III. Preliminary Regulating Plan: A set of maps that shows the Transect Zones, Civic Zones, Special Districts, and sometimes Special Requirements for areas subject to, or potentially subject to, regulation by the SmartCode. It may also show street and public opens spaces, and designate where various building form standards (based on intensity of urbanism) for building placement, design, and use will apply.

In addition, the preliminary Regulating Plan for Phase Two shall also:

1. Incorporate the design and use criteria as listed in the attached Transect tables.
2. Identify the proposed development in stages, phases, and units – including all phasing of the affordable housing units and general timeline for all phases.
3. Provide a methodology to achieve permanent, affordable housing units.
4. Provide an outline of sustainable practices to be employed throughout the development. The practices are based on LEED and LEED – ND minimums or other nationally recognized green building practices.
5. Identify utility services and potential points of connection, including:
 - a. General system trunk lines,
 - b. Proposed methods for sewage disposal,
 - c. Proposed methods for water supply; and

- d. Proposed methods for storm drainage.
6. Provide general location of all natural resources and/or environmental constraints including but not limited to the following:
 - a. Rural Flood Plain
 - b. Urban Flood Plain
 - c. Slopes:
 - i. 25% and over
 - ii. 17 to 24.9%
 - iii. Forest
 - iv. All other land

(Applicants should note, Chapter 10-04-004-0004 Natural Resource Calculations is proposed to be amended to include an Affordable Housing Performance provision for selected districts.)

7. Provide multi-modal circulation systems with identified bicycle routes, paths and trails; and, bus stops and/or transfer stations.
8. Provide preliminary architectural elevations by building type, style, and design for the overall project and by neighborhood.
9. Provide density, type of housing supply, and number of units, at a minimum identified by transects zones, yet preferred at an identifiable neighborhood level.
10. Commercial, office, and retail square footage for each T4 and T5 Transect Zone, yet preferred at an identifiable neighborhood level.

D. EVALUATION CRITERIA

The City's evaluation of the proposals will be based on the following criteria, not necessarily in the order presented:

- Offer price and structure of workforce housing unit type and count;
- Developer's demonstrated understanding of the project and its objectives;
- Developer's relevant experience on similar projects;
- Qualifications of key project personnel and experience on similar projects;
- Qualifications of key consultants and relevant experience on similar projects;
- Developer's approach to the project and detailed plans to meet objectives;
- Developer's past financial experience for similar-sized projects and the ability to obtain financing for this specific project;
- Project timetable;
- Quality and information presented in the presentation / interview

Acceptance of a proposal by the City for the property will be based on the following criteria:

- Financing in place to complete the project including closing with the City of Flagstaff;

- Conformance with the City of Flagstaff's goals and objectives;
- Conformance with the Juniper Point Specific Plan;
- Quality of the final design;
- Quality and approval of the overall development plan;
- Schedule of development; and,
- Successful affordable housing performance evaluation.

E. CONFIDENTIAL INFORMATION

It is understood and agreed to that the below discloser of confidential information bidder may provide certain information that is and must be kept confidential. The bidder shall place any information considered to be proprietary in a separate envelope and marked "Confidential Information." To ensure the protection of such information, and to preserve any confidentiality necessary under trade secret laws, it is agreed that:

The Confidential Information to be disclosed can be described as, and includes:

Costs, profit and margin information, finances and financial projections, customers, clients, marketing, and current or future business plans and models, regardless of whether such information is designated as "Confidential Information" at the time of its disclosure.

City shall limit disclosure of Confidential Information within its own organization to its officers or employees, or independent contractors (collectively referred to as "City") having a need to know. City will not disclose the confidential information obtained from the bidder unless required to do so by the Arizona Public Records Law.

This Agreement imposes no obligation upon City with respect to any Confidential Information: that was in City's possession before receipt from bidder; is or becomes a matter of public knowledge through no fault of City; is rightfully received by City from a third party not owing a duty of confidentiality to the bidder; is disclosed without a duty of confidentiality to a third party by, or with the authorization of, bidder; or is independently derived by City.

F. DISCUSSIONS AND REVISIONS TO PROPOSAL

Discussions may be conducted with the bidders for the purpose of clarification to assure full understanding of, and responsiveness to, the solicitation requirements. Should the City elect to call for best and final offers, bidders shall be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals, and such revisions may be permitted after submissions and prior to award for the purpose of obtaining best and final offers. In conducting discussions, there shall be no disclosure of any information derived from proposals submitted by competing bidders. The purposes of such discussions shall be to:

1. Determine in greater detail each bidder's qualifications, and

2. Explore with each bidder the scope, nature and complexity of the project, the bidder's proposed method of performance, and the relative utility of alternate methods of approach;
3. Determine that the bidder will make available the necessary personnel and facilities to perform within the required time;

G. ACCEPTANCE

All proposals submitted to the City are to remain firm for a minimum period of 90 calendar days from the date the proposals are officially opened, unless otherwise specified.

H. AWARD OF CONTRACT

Notwithstanding any other provision of the Request for Proposals, the City reserves the right to waive any immaterial defect or informality, reject any or all proposals or portions of proposals, or reissue the Request for Proposals.

A response to any Request for Proposals is an offer to contract with the City based upon the terms, conditions and specifications contained in the City's Request for Proposals.

The successful bidder's proposal is not officially accepted until such time as the bidder receives a written notice of acceptance from the City of Flagstaff Purchasing Director.

I. EXCEPTION TO THE SOLICITATION

The bidder shall identify and list all exceptions taken to all sections of this proposal and list these exceptions referencing the section (paragraph) where the exception exists and then identify the exceptions and the proposed wording for the bidder's exception. The bidder shall list these exceptions under the heading "Exception to the PROPOSAL Solicitation. Exceptions that surface elsewhere and that do not also appear under the heading "Exception to the PROPOSAL Solicitation", shall be considered invalid and void and of no contractual significance.

The City reserves the right to reject, render the proposal non-responsive, enter into negotiation on any of the bidder exceptions, or accept them outright.